

Senate Study Bill 1167

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
TRANSPORTATION BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to railway assistance and passenger rail service,
2 including provisions for the administration of the railway
3 revolving loan and grant fund, the elimination of the railway
4 finance authority, and the administration of the passenger
5 rail service revolving fund.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 1349DP 83
8 dea/nh/14

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1 1 DIVISION I
1 2 RAILWAY ASSISTANCE
1 3 Section 1. Section 6A.6, Code 2009, is amended to read as
1 4 follows:
1 5 6A.6 RAILWAYS.
1 6 ~~The Iowa railway finance authority or any A railway~~
1 7 ~~corporation, may acquire by condemnation property as necessary~~
1 8 ~~for the location, construction, and convenient use of a~~
1 9 ~~railway. The Iowa railway finance authority may acquire fee~~
1 10 ~~title or a lesser property interest. The authority shall~~
1 11 ~~offer to sell its interest in the property at fair market~~
1 12 ~~value to the adjoining property owners upon abandonment. The~~
1 13 ~~acquisition shall carry the right to use for the construction~~
1 14 ~~and repair of the railway and its appurtenances any earth,~~
1 15 ~~gravel, stone, timber, or other material, on or from the land~~
1 16 ~~taken.~~
1 17 Sec. 2. Section 6A.9, unnumbered paragraph 1, Code 2009,
1 18 is amended to read as follows:
1 19 ~~The Iowa railway finance authority department of~~
1 20 ~~transportation or a railway corporation may, by condemnation~~
1 21 ~~or otherwise, acquire lands for the following additional~~
1 22 ~~purposes:~~
1 23 Sec. 3. Section 6A.10, Code 2009, is amended to read as
1 24 follows:
1 25 6A.10 INITIATING RAILROAD CONDEMNATION BY RAILWAY
1 26 CORPORATION.
1 27 ~~1. The A railway corporation shall apply to the department~~
1 28 ~~of transportation for permission to condemn. The railway~~
1 29 ~~corporation shall serve notice of the application and hearing~~
1 30 ~~and provide a copy of the legal description of the property to~~
1 31 ~~be condemned to the owner and any recordholders of liens and~~
1 32 ~~encumbrances on any land described in the application. The~~
1 33 ~~department may, after hearing, report to the clerk of the~~
1 34 ~~district court of the county in which the land is situated the~~
1 35 ~~description of the land sought to be condemned. The~~
2 1 ~~corporation may begin condemnation procedures in district~~
2 2 ~~court for the land described by the department.~~
2 3 ~~2. The railway finance authority may begin condemnation~~
2 4 ~~proceedings in district court.~~
2 5 Sec. 4. Section 6A.16, Code 2009, is amended to read as
2 6 follows:
2 7 6A.16 RIGHT TO CONDEMN ABANDONED RIGHT-OF-WAY.
2 8 Railroad right-of-way which has been abandoned by order of
2 9 the proper authority, may be condemned by a railway
2 10 corporation or the ~~Iowa railway finance authority department~~
2 11 ~~of transportation~~ before or after the track materials have
2 12 been removed. The procedure to condemn abandoned right-of-way
2 13 shall be the same as for an original condemnation.
2 14 Sec. 5. Section 7E.7, subsection 2, Code 2009, is amended
2 15 by striking the subsection.
2 16 Sec. 6. Section 12.28, subsection 1, paragraph b, Code

2 17 2009, is amended to read as follows:

2 18 b. "State agency" means a board, commission, bureau,
2 19 division, office, department, or branch of state government.
2 20 However, state agency does not mean the state board of
2 21 regents, institutions governed by the board of regents, or
2 22 authorities created under chapter 16, 175, 257C, or 261A,~~or~~
2 23 ~~327I.~~

2 24 Sec. 7. Section 12.30, subsection 1, paragraph a, Code
2 25 2009, is amended to read as follows:

2 26 a. "Authority" means a department, or public or
2 27 quasi-public instrumentality of the state including but not
2 28 limited to the authority created under chapter 12E, 16, 175,
2 29 257C, 261A, ~~327I,~~ or 463C, which has the power to issue
2 30 obligations, except that "authority" does not include the
2 31 state board of regents or the Iowa finance authority to the
2 32 extent it acts pursuant to chapter 260C. "Authority" also
2 33 includes a port authority created under chapter 28J.

2 34 Sec. 8. Section 307.24, Code 2009, is amended to read as
2 35 follows:

3 1 307.24 ADMINISTRATION OF HIGHWAYS.

3 2 The department's administrator of highways is responsible
3 3 for the planning, design, construction, and maintenance of the
3 4 state primary highways and shall administer chapters 306 to
3 5 320 ~~and 327I~~ and perform other duties as assigned by the
3 6 director. The administration of highways shall be organized
3 7 to provide administration for urban systems, for secondary
3 8 roads, and other categories of administration as necessary.

3 9 Sec. 9. Section 321.145, subsection 2, paragraph b,
3 10 subparagraph (4), Code 2009, is amended by striking the
3 11 subparagraph.

3 12 Sec. 10. Section 327G.76, Code 2009, is amended to read as
3 13 follows:

3 14 327G.76 TIME OF REVERSION.

3 15 Railroad property rights which are extinguished upon
3 16 cessation of service by the railroad divest when the ~~railway~~
3 17 ~~finance authority department of transportation~~ or the
3 18 railroad, having obtained authority to abandon the rail line,
3 19 removes the track materials to the right-of-way. If the
3 20 ~~railway finance authority department of transportation~~ does
3 21 not acquire the line and the railway company does not remove
3 22 the track materials, the property rights which are
3 23 extinguished upon cessation of service by the railroad divest
3 24 one year after the railway obtains the final authorization
3 25 necessary from the proper authority to remove the track
3 26 materials.

3 27 Sec. 11. Section 327H.20A, Code 2009, is amended to read
3 28 as follows:

3 29 327H.20A RAILROAD REVOLVING LOAN AND GRANT FUND.

3 30 1. A railroad revolving loan and grant fund is established
3 31 in the office of the treasurer of state under the control of
3 32 the ~~authority department~~. Moneys in the fund shall be
3 33 expended for the following purposes:

3 34 a. Grants or loans to provide assistance for the
3 35 restoration, conservation, improvement, and construction of
4 1 railroad main lines, branch lines, switching yards, sidings,
4 2 rail connections, intermodal yards, highway grade separations,
4 3 and other railroad-related improvements.

4 4 b. Grants or loans for rail economic development projects
4 5 that improve rail facilities, including the construction of
4 6 branch lines, sidings, rail connections, intermodal yards, and
4 7 other rail-related improvements that spur economic development
4 8 and job growth.

4 9 2. The ~~authority department~~ shall administer a program for
4 10 the granting and administration of loans and grants under this
4 11 section. ~~No more than fifty percent of the total moneys~~
4 12 ~~available in the fund in any year shall be awarded in the form~~
4 13 ~~of grants.~~ The ~~authority department~~ may establish a limit on
4 14 the amount that may be awarded as a grant for any given
4 15 project in order to maximize the use of the moneys in the
4 16 fund. The ~~authority department~~ may enter into agreements with
4 17 railroad corporations, the United States government, cities,
4 18 counties, and other persons for carrying out the purposes of
4 19 this section.

4 20 3. Notwithstanding any other provision to the contrary, on
4 21 or after July 1, 2006, moneys received as repayments for loans
4 22 made pursuant to this chapter or chapter 327I, Code 2009,
4 23 before, on, or after July 1, 2005, other than repayments of
4 24 federal moneys subject to section 327H.21, shall be credited
4 25 to the railroad revolving loan and grant fund.
4 26 Notwithstanding section 8.33, moneys in the railroad revolving
4 27 loan and grant fund shall not revert to the general fund of

4 28 the state but shall remain available indefinitely for
4 29 expenditure under this section.
4 30 Sec. 12. Section 327H.26, Code 2009, is amended to read as
4 31 follows:
4 32 327H.26 ~~DEFINITIONS~~ DEFINITION.
4 33 As used in this chapter, unless the context otherwise
4 34 requires+
4 35 1. ~~"Authority" means the railway finance authority created~~
5 1 ~~in chapter 327I.~~
5 2 2. ~~"Department", "department"~~ means the state department
5 3 of transportation.
5 4 Sec. 13. Section 427.1, subsection 25, Code 2009, is
5 5 amended by striking the subsection.
5 6 Sec. 14. Chapter 327I, Code 2009, is repealed.
5 7 Sec. 15. CONTINUATION OF PRIOR AGREEMENTS. It is the
5 8 intent of the general assembly that the enactment of this Act
5 9 shall not affect the terms or duration of railroad assistance
5 10 agreements entered into under chapter 327H or 327I prior to
5 11 the effective date of this Act. The department of
5 12 transportation is the successor to the rights and obligations
5 13 of any agreements entered into by the Iowa railway finance
5 14 authority.

DIVISION II
PASSENGER RAIL SERVICE

5 17 Sec. 16. Section 327J.1, Code 2009, is amended by adding
5 18 the following new subsection:
5 19 NEW SUBSECTION. 6. "Passenger rail service" means
5 20 long-distance, intercity, and commuter passenger
5 21 transportation, including the midwest regional rail system,
5 22 which is provided on railroad tracks.
5 23 Sec. 17. Section 327J.2, subsection 2, Code 2009, is
5 24 amended to read as follows:
5 25 2. FUNDING. To achieve the purposes of this chapter,
5 26 moneys shall be credited to the passenger rail service
5 27 revolving fund by the treasurer of state from the following
5 28 sources:
5 29 a. Appropriations made by the general assembly.
5 30 ~~a. b.~~ Private grants and gifts intended for these
5 31 purposes.
5 32 ~~b. c.~~ Federal, state, and local grants and loans intended
5 33 for these purposes.
5 34 Sec. 18. Section 327J.3, Code 2009, is amended to read as
5 35 follows:
6 1 327J.3 ADMINISTRATION.
6 2 1. The director may expend moneys from the fund to pay the
6 3 costs associated with the initiation, operation, and
6 4 maintenance of ~~rail~~ passenger rail service. The director
6 5 shall report by February 1 of each year to the legislative
6 6 services agency concerning the status of the fund including
6 7 anticipated expenditures for the following fiscal year.
6 8 2. The director may enter into agreements with AMTRAK,
6 9 ~~other rail operators, local jurisdictions, and other states~~
6 10 ~~associated with the midwest regional rail system~~ for the
6 11 purpose of developing ~~a rail passenger system~~ passenger rail
6 12 ~~serving the midwest, including service from Chicago, Illinois,~~
6 13 ~~to Omaha, Nebraska, through Iowa.~~ The agreements may include
6 14 any of the following:
6 15 a. Cost-sharing agreements associated with initiating
6 16 service, capital costs, operating subsidies, and other costs
6 17 necessary to develop and maintain service.
6 18 b. Joint powers agreements and other institutional
6 19 arrangements associated with the administration, management,
6 20 and operation of ~~a midwest regional rail system~~ passenger rail
6 21 service.
6 22 3. The director shall enter into discussions with members
6 23 of Iowa's congressional delegation to foster ~~rail~~ passenger
6 24 rail service in this state and the midwest and to maximize the
6 25 level of federal funding for the service, ~~including funding~~
6 26 ~~for the midwest regional rail system.~~
6 27 4. The director may provide assistance and enter into
6 28 agreements with ~~cities~~ local jurisdictions along the proposed
6 29 route of the midwest regional rail system or other passenger
6 30 rail ~~system~~ service operations serving ~~the Midwest~~ Iowa to
6 31 ensure that rail stations and terminals are designed and
6 32 developed in accordance with the following objectives:
6 33 a. To meet safety and efficiency requirements outlined by
6 34 AMTRAK and the federal railroad administration.
6 35 b. To aid intermodal transportation.
7 1 c. To encourage economic development.
7 2 5. The director shall report annually to the general
7 3 assembly concerning the development and operation of the

7 4 midwest regional rail system and the state's passenger rail
7 5 service.

7 6 EXPLANATION

7 7 This bill contains provisions relating to assistance for
7 8 railroads and passenger rail service.

7 9 DIVISION I == RAILWAY ASSISTANCE. This division of the
7 10 bill contains the repeal of Code chapter 327I, in which the
7 11 Iowa railway finance authority was established. The duties
7 12 and responsibilities of the railway finance authority for
7 13 administration of the railroad revolving loan and grant fund
7 14 are transferred to the department of transportation. The bill
7 15 specifies that the department is the successor to the rights
7 16 and obligations of any agreements for railroad assistance
7 17 entered into by the Iowa railway finance authority, and the
7 18 terms and duration of those prior agreements are preserved.

7 19 The bill eliminates references to the railway finance
7 20 authority in provisions relating to the condemnation of
7 21 property for the location, construction, and use of a railway.
7 22 The bill specifies that the authority currently granted to the
7 23 railway finance authority to acquire lands for certain
7 24 additional purposes, such as constructing sections of track,
7 25 establishing additional depot grounds or yards, modifying or
7 26 adding right-of-way, and preserving abandoned railroad
7 27 right-of-way, is retained by the department along with the
7 28 right to condemn abandoned railroad right-of-way.

7 29 Under current law, moneys are appropriated from the
7 30 statutory allocations fund for the payment of principal and
7 31 interest on obligations of the railway finance authority or
7 32 the payment of leases guaranteed by the authority. The bill
7 33 strikes that appropriation.

7 34 DIVISION II == PASSENGER RAIL SERVICE. This division of
7 35 the bill provides for the administration of passenger rail
8 1 service, including administration of the passenger rail
8 2 service revolving fund, by the department of transportation.
8 3 The term "passenger rail service" is defined in the bill as
8 4 long-distance, intercity, and commuter passenger
8 5 transportation, including the midwest regional rail system,
8 6 which is provided on railroad tracks. The bill amends
8 7 language describing funding sources for the passenger rail
8 8 service revolving fund to include appropriations made by the
8 9 general assembly.

8 10 Currently, the director of transportation has authority to
8 11 enter into agreements with AMTRAK and with states associated
8 12 with the midwest regional rail system for the purpose of
8 13 developing a passenger rail system serving the midwest. The
8 14 bill modifies that authority to allow agreements with AMTRAK,
8 15 other rail operators, local jurisdictions, and any other
8 16 states for the purpose of developing passenger rail service
8 17 serving Iowa.

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